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PLEASE REPLY TO NEW HAVEN

JOHN F. BUCKLEY, JR.
JOHN F. WYNNE, JR.

JOHN M. PARESE

February 27, 2012

Senator Joseph J. Crisco, Jr.,
State Representative Robert W. Megna
& Members of the Insurance and Real Estate Committee
Room 2800, Legislative Office Building
Hartford, CT 06106

Re: **SB-203**

An Act Requiring Payment for Diminution of Value Under an Automobile Liability Insurance Policy

Dear Senator Crisco & Representative Megna:

I hope this letter finds you well. As you may recall, I am an attorney and serve as legal counsel to the Auto Body Association of Connecticut (ABAC). I write to express my concerns about the above bill.

Firstly, I agree that diminished value is ripe for legislation. Though payment for diminished value is appropriate and required under common law, few insurance companies will voluntarily pay it. Thus, I certainly commend this Committee for addressing the problem. With that said, I have concerns about empowering the Department of Insurance to establish the methods for determining diminished value. I would submit that instead, it should be left to the courts.

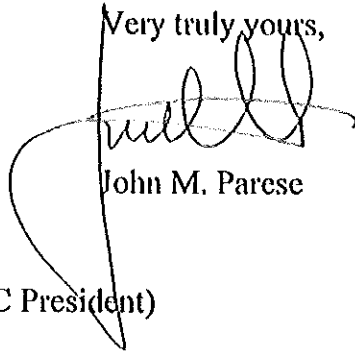
The Department of Insurance has a poor track record of protecting consumers and a proven track record of protecting insurance companies – often at the expense of consumers. I would respectfully suggest deleting the last sentence of § 1 (a). In so doing, the bill would retain its purpose, eliminate the need for more regulation, and accomplish its objective without the risk of being undermined by the Department of Insurance. The issue of damages does not need to be regulated. As with other types of damage claims, establishing the reasonable value of the loss should be left to the sound judgment of the courts and evidence.

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For these reasons, I would respectfully ask that this Committee consider deleting the last sentence of § 1 (a) the proposed bill. And, I commend the Committee for taking on this important issue.

Thank you for considering my comments. If you should wish to discuss this in more detail, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "John M. Parese", is written over a horizontal line. The signature is stylized with loops and a long vertical stroke extending downwards.

John M. Parese

c: Robert Skrip (ABAC President)